



Carleton University Department of Economics

Winter 2026

ECON 5052W

Financial Markets and Instruments

Instructor: Haozhen Zhang

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Office Location: Loeb, B-840

Office Hours: After class or by appointment

Course Location/Delivery: In person, the room location will be available via Carleton Central.

Course Day and Time: 6:05 pm – 8:55 pm, Wednesdays

Office Hours: After class or by appointment

Brightspace Course Page: <https://brightspace.carleton.ca/d2l/home/365128>

Course Description

This course offers a rigorous overview of key topics in corporate finance, financial markets, and financial intermediation. Core themes include corporate institutions, financing decisions under asymmetric information, agency problems, asset pricing, and security design. The course also examines the role of public policy and the political economy of finance.

Rather than attempting to cover the entire field, the course emphasizes depth over breadth, focusing on concepts that are foundational to financial economics. Drawing on microeconomic theory and financial economic models, the course's primary objective is to strengthen students' economic intuition. Mathematics is introduced only when necessary to clarify essential ideas, and the mathematical tools used are kept as straightforward as possible.

Required Textbooks & Readings

The course draws on two main textbooks, supplemented by selected recent research studies:

1. Jean Tirole (2006). *The Theory of Corporate Finance*. Princeton University Press
 - o New hardcover: approx. US\$120
 - o Ebook: approx. US\$84
2. Jean-Pierre Danthine & John B. Donaldson (2014). *Intermediate Financial Theory* (3rd Edition). Elsevier
 - o Approx. US\$99.95

These textbooks offer complementary perspectives:

- Tirole provides a rigorous and comprehensive theoretical foundation appropriate for graduate-level study.
- Danthine & Donaldson present intermediate-level material that is accessible for MA students and helps bridge theoretical and applied topics.

Purchasing the textbooks is not mandatory.

Additional course materials—including recent academic papers, policy studies, and empirical research—will be used to provide up-to-date insights into the topics covered in class. A detailed reading list with these supplementary materials will be provided and posted on Brightspace.

Course Evaluation

Component	Weight	Description
Term Project	40%	Students will select one research question related to financial markets or financial intermediation from a list provided by the instructor. The project will consist of a structured literature review and an economic analysis grounded in the existing literature and relevant economic theory. Advanced econometric techniques are not required. Each student will deliver a short in-class presentation and submit a written essay at the end of the term.
Participation & Peer Feedback	10%	Active participation in class discussions and constructive feedback on a classmate's term project. Each student will be assigned one peer project to review. This ensures exposure to a broader range of topics beyond one's own project.
Final Exam (in-person, date TBA)	50%	Scheduled by the University. The exam will assess students' understanding of key concepts, theories, and analytical frameworks discussed in class.

Late Submissions: Late submissions will not be accepted. Any work submitted after the deadline without an acceptable, instructor-approved reason will receive a grade of zero.

Brightspace and the Carleton email system will be used extensively as a means of communication with students. Therefore, students are strongly advised to access Brightspace and check their Carleton email at regular intervals in order to check for new information. To access Brightspace and the Carleton email system, students require a MyCarletonOne account. For questions about MyCarletonOne accounts, students should access <http://carleton.ca/ccs/get-started/> (and then click on either New Students or New Grad Students, as appropriate) or contact the ITS Service Desk (4th Floor, MacOdrum Library, telephone: 613-520-3700).

Academic Standing

Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No grades are final until they have been approved by the Dean.

NOTE:

For verification and security purposes, I will not reply to emails originating from non-Carleton e-mail accounts, and which are not signed with a student's name and student number. Please ensure that you have a Carleton email account.

Plagiarism:

Please be aware that plagiarism is a serious offense at Carleton and should be recognized and avoided. For further information on how to do so, please see "Academic Integrity and Offenses of Conduct": <https://carleton.ca/economics/courses/writing-preliminaries/academic-integrity-and-offenses-of-conduct/>

Requests for Academic Accommodation:

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: <carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: <carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf>

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. <carleton.ca/pmc>

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and is survivors are

supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline